

EXHIBIT 1-A

SAMPLE MANAGEMENT PLAN

Preparation of the project management plan does not have to be a difficult task. As part of its CDBG application, each applicant prepared a preliminary management plan that described how it intended to manage its project.

Preparation of the final plan is a matter of reviewing the preliminary plan and more precisely defining how and by whom the project will be administered. The management plan should cover the following three basic areas:

1. Overall Administrative Structure
2. Project Management
3. Financial Management

It is not necessary that the plan be divided into these sections, as long as the basic issues are addressed.

1. **Overall Administrative Structure**

This element will describe how your local government will integrate project management with its existing organizational structure. The most common alternatives for management (as discussed in the text of Chapter 1) are either administration by local staff or through a contract with a private consultant. This portion of the plan should include a description of:

- the role of the mayor and council (or county commission) in supervising project administration and the expenditure of project funds and how this will be coordinated with the project manager and the recipient's financial officer;
- the role, if any, of the local government's attorney in preparing and reviewing any proposed contracts required for the CDBG project;
- the key persons who will be involved in project administration including the chief elected official, the local government's financial officer, any officials who will be authorized to sign requests for CDBG funds, the project manager, the recipient's attorney, and any other officials or staff who will have a direct role in administering the grant. The list should include names, titles, telephone numbers, and a brief description of their role in the project's administration.

2. **Project Management**

This element should describe the procedures to be followed and the persons who will be responsible for overall project management including assuring documentation of the recipient's compliance with all applicable requirements (other than those pertaining to financial management) such as the environmental review process, civil rights, preparation of progress and closeout reports, etc. For example:

- a description for a housing rehabilitation project should address the role and composition of any advisory board; the procedures for grant or loan award and administration; the procedures for processing contractor bids and awarding contracts; or
- for a public facilities project, a description of the role and responsibilities of the engineer and local staff (or management consultant) for compliance with general requirements, preparation of bid specifications and supervising bidding procedures, conducting pre-construction conferences, determining Davis-Bacon wage rates and conducting on-site interviews with construction personnel for Davis-Bacon compliance, and project inspections.

If the grantee intends to contract with a consultant for project management services, a copy of the draft contract should be attached to the management plan.

3. Financial Management

This portion of the plan should describe the procedures to be used and the officials or staff that will be responsible for assuring proper expenditure of and internal control over the use of CDBG funds. The description should:

- address the procedures to be followed for reviewing and approving expenditures, preparing and submitting drawdown requests to DOC, processing payments, etc.;
- identify the persons who will be responsible for maintenance of the required financial records or processing CDBG funds;
- explain any arrangements with financial institutions or contractors which involve management of CDBG funds;
- describe the accounting and management system to be used, such as the Budgetary, Accounting and Reporting System (BARS) or the Town Accounting System (TAS); and
- include the role of the governing body in approving expenditures for the CDBG project.

The project implementation schedule should be included with the plan to demonstrate how the tasks described in the plan will be dealt with chronologically.

If the project will include the "targeting" of CDBG assistance for a public facilities project, the management plan should thoroughly describe the procedures it intends to follow to screen and qualify eligible recipients and assure that CDBG funds will benefit low and moderate income persons. If the project intends to use methods such as payment of assessments for a special improvement district or payment of charges for water or sewer hookups, the plan should clearly describe how CDBG funds will be accounted for in local financial records.

If the project will involve loan repayments to the local government, resulting in program income from the CDBG project, the plan must describe the procedures and policies that will govern the use of those funds during the project and following grant closeout. Communities planning to retain program income must be prepared to maintain the following records:

- sources of program income including interest earned,
- dates and amounts of program income deposits and disbursements, and
- a description of the activities funded with program income.